

Message Text

UNCLASSIFIED

PAGE 01 STATE 029810

12

ORIGIN SS-20

INFO OCT-01 AF-10 ARA-16 EA-11 EUR-25 NEA-11 RSC-01 ISO-00

AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00

EB-11 FEA-02 FPC-01 H-03 INR-10 INT-08 L-03 NSAE-00

NSC-10 OMB-01 PM-07 SAM-01 SCI-06 SPC-03 STR-08

TRSE-00 PA-04 PRS-01 USIA-15 IO-14 FRB-02 XMB-07

OPIC-12 LAB-06 SIL-01 /266 R

DRAFTED BY T/IEP:JTARRANT

APPROVED BY T/IEP:AKATZ

----- 023589

R 132218Z FEB 74

FM SECSTATE WASHDC

TO ALL DIPLOMATIC POSTS

UNCLAS STATE 029810

TAGS: ENRG

SUBJECT: WASHINGTON ENERGY CONFERENCE COMMUNIQUE

FOLLOWING IS TEXT OF FINAL COMMUNIQUE RELEASED AT
END OF CONFERENCE 3:00 P.M., FEBRUARY 13.

SUMMARY STATEMENT

1. FOREIGN MINISTERS OF BELGIUM, CANADA, DENMARK, FRANCE,
THE FEDERAL REPUBLIC OF GERMANY, IRELAND, ITALY, JAPAN,
LUXEMBOURG, THE NETHERLANDS, NWAY, THE UNITED KINGDOM,
THE UNITED STATES MET IN WASHINGTON FROM FEBRUARY 11 TO 13,
1974. THE EUROPEAN COMMUNITY WAS REPRESENTED AS SUCH BY THE
PRESIDENT OF THE COUNCIL AND THE PRESIDENT OF THE COMMISSION.
FINANCE MINISTERS, MINISTERS WITH RESPONSIBILITY FOR
ENERGY AFFAIRS, ECONOMIC AFFAIRS AND SCIENCE AND
TECHNOLOGY AFFAIRS ALSO TOOK PART IN THE MEETING. THE
SECRETARY GENERAL OF THE OECD ALSO PARTICIPATED IN THE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 029810

MEETING. THE MINISTERS EXAMINED THE INTERNATIONAL ENERGY

SITUATION AND ITS IMPLICATIONS AND CHARTERED A COURSE OF ACTION TO MEET THIS CHALLENGE WHICH REQUIRES CONSTRUCTIVE AND COMPREHENSIVE SOLUTIONS. TO THIS END THEY AGREED ON SPECIFIC STEPS TO PROVIDE FOR EFFECTIVE INTERNATIONAL COOPERATION. THE MINISTERS AFFIRMED THAT SOLUTIONS TO THE WORLD'S ENERGY PROBLEM SHOULD BE SOUGHT IN CONSULTATION WITH PRODUCER COUNTRIES AND OTHER CONSUMERS.

ANALYSIS OF THE SITUATION

2. THEY NOTED THAT DURING THE PAST THREE DECADES PROGRESS IN IMPROVING PRODUCTIVITY AND STANDARDS OF LIVING WAS GREATLY FACILITATED BY THE READY AVAILABILITY OF INCREASING SUPPLIES OF ENERGY AT FAIRLY STABLE PRICES. THEY RECOGNIZED THAT THE PROBLEM OF MEETING GROWING DEMAND EXISTED BEFORE THE CURRENT SITUATION AND THAT THE NEEDS OF THE WORLD ECONOMY FOR INCREASED ENERGY SUPPLIES REQUIRE POSITIVE LONG-TERM SOLUTIONS.

3. THEY CONCLUDED THAT THE CURRENT ENERGY SITUATION RESULTS FROM AN INTENSIFICATION OF THESE UNDERLYING FACTORS AND FROM POLITICAL DEVELOPMENTS.

4. THEY REVIEWED THE PROBLEMS CREATED BY THE LARGE RISE IN OIL PRICES AND AGREED WITH THE SERIOUS CONCERN EXPRESSED BY THE INTERNATIONAL MONETARY FUND'S COMMITTEE OF TWENTY AT ITS RECENT ROME MEETING OVER THE ABRUPT AND SIGNIFICANT CHANGES IN PROSPECT FOR THE WORLD BALANCE OF PAYMENTS STRUCTURE.

5. THEY AGREED THAT PRESENT PETROLEUM PRICES PRESENTED THE STRUCTURE OF WORLD TRADE AND FINANCE WITH AN UNPRECEDENTED SITUATION. THEY RECOGNIZED THAT NONE OF THE CONSUMING COUNTRIES COULD HOPE TO INSULATE ITSELF FROM THESE DEVELOPMENTS, OR EXPECT TO DEAL WITH THE PAYMENTS IMPACT OF OIL PRICES BY THE ADOPTION OF MONETARY OR TRADE MEASURES ALONE. IN THEIR VIEW, THE PRESENT SITUATION, IF CONTINUED, COULD LEAD TO A SERIOUS DETERIORATION IN INCOME AND EMPLOYMENT, INTENSIFY INFLATIONARY PRESSURES, AND ENDANGER THE WELFARE OF NATIONS. THEY BELIEVED THAT FINANCIAL MEASURES BY THEMSELVES WILL NOT BE ABLE TO

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 029810

DEAL WITH THE STRAINS OF THE CURRENT SITUATION.

6. THEY EXPRESSED THEIR PARTICULAR CONCERN ABOUT THE CONSEQUENCES OF THE SITUATION FOR THE DEVELOPING COUNTRIES AND RECOGNIZED THE NEED FOR EFFORTS BY THE ENTIRE INTERNATIONAL COMMUNITY TO RESOLVE THIS PROBLEM. AT CURRENT OIL PRICES THE ADDITIONAL ENERGY COSTS FOR DEVELOPING COUNTRIES WILL CAUSE A SERIOUS SETBACK TO THE PROSPECT FOR

ECONOMIC DEVELOPMENT OF THESE COUNTRIES.

7. GENERAL CONCLUSIONS. THEY AFFIRMED, THAT, IN THE PURSUIT OF NATIONAL POLICIES, WHETHER IN THE TRADE, MONETARY OR ENERGY FIELDS, EFFORTS SHOULD BE MADE TO HARMONIZE THE INTERESTS OF EACH COUNTRY ON THE ONE HAND AND THE MAINTENANCE OF THE WORLD ECONOMIC SYSTEM ON THE OTHER. CONCERTED INTERNATIONAL COOPERATION BETWEEN ALL THE COUNTRIES CONCERNED INCLUDING OIL PRODUCING COUNTRIES COULD HELP TO ACCELERATE AN IMPROVEMENT IN THE SUPPLY AND DEMAND SITUATION, AMELIORATE THE ADVERSE ECONOMIC CONSEQUENCES OF THE EXISTING SITUATION AND LAY THE GROUNDWORK FOR A MORE EQUITABLE AND STABLE INTERNATIONAL ENERGY RELATIONSHIP.

8. THEY FELT THAT THESE CONSIDERATIONS TAKEN AS A WHOLE MADE IT ESSENTIAL THAT THERE SHOULD BE A SUBSTANTIAL INCREASE OF INTERNATIONAL COOPERATION IN ALL FIELDS. EACH PARTICIPANT IN THE CONFERENCE STATED ITS FIRM INTENTION TO DO ITS UTMOST TO CONTRIBUTE TO SUCH AN AIM, IN CLOSE COOPERATION BOTH WITH THE OTHER CONSUMER COUNTRIES AND WITH THE PRODUCER COUNTRIES.

9. THEY CONCURRED IN THE NEED FOR A COMPREHENSIVE ACTION PROGRAM TO DEAL WITH ALL FACETS OF THE WORLD ENERGY SITUATION BY COOPERATIVE MEASURES. IN SO DOING THEY WILL BUILD ON THE WORK OF THE OECD. THEY RECOGNIZED THAT THEY MAY WISH TO INVITE, AS APPROPRIATE, OTHER COUNTRIES TO JOIN WITH THEM IN THESE EFFORTS. SUCH AN ACTION PROGRAM OF INTERNATIONAL COOPERATION WOULD INCLUDE, AS APPROPRIATE, THE SHARING OF MEANS AND EFFORTS, WHILE CONCERTING NATIONAL POLICIES, IN SUCH AREAS AS:

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 029810

- THE CONSERVATION OF ENERGY AND RESTRAINT OF DEMAND.
- A SYSTEM OF ALLOCATING OIL SUPPLIES IN TIMES OF EMERGENCY AND SEVERE SHORTAGES.
- THE ACCELERATION OF DEVELOPMENT OF ADDITIONAL ENERGY SOURCES SO AS TO DIVERSIFY ENERGY SUPPLIES.
- THE ACCELERATION OF ENERGY RESEARCH AND DEVELOPMENT PROGRAMS THROUGH INTERNATIONAL COOPERATIVE EFFORTS.#

(FOOTNOTED #FRANCE DOES NOT ACCEPT POINT 9 IN ITS ENTIRETY)

10. WITH RESPECT TO MONETARY AND ECONOMIC QUESTIONS, THEY DECIDED TO INTENSIFY THEIR COOPERATION AND TO GIVE IMPETUS TO*THE WORK BE*NG UNDERTAKEN IN THE IMF, THE WORLD BANK AND THE OECD ON THE ECONOMIC AND MONETARY CONSEQUENCES OF

THE CURRENT ENERGY SITUATION, IN PARTICULAR TO DEAL WITH
BALANCE OF PAYMENTS DISEQUILIBRIA. THEY AGREED THAT:

-- IN DEALING WITH THE BALANCE OF PAYMENTS IMPACT
OF OIL PRICES THEY STRESSED THE IMPORTANCE OF
AVOIDING COMPETITIVE DEP

E E E E E E E

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, ECONOMIC COOPERATION, LESS DEVELOPED COUNTRIES, FOREIGN MINISTERS MEETINGS, EXPORTERS, IMPORTERS, PRICES, BALANCE OF PAYMENTS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 13 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE029810
Document Source: CORE
Document Unique ID: 00
Drafter: JTARRANT
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740234/aaaabgey.tel
Line Count: 170
Locator: TEXT ON-LINE
Office: ORIGIN SS
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 26 FEB 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 FEB 2002 by elbezefj>; APPROVED <29 NOV 2002 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: WASHINGTON ENERGY CONFERENCE COMMUNIQUE FOLLOWING IS TEXT OF FINAL COMMUNIQUE RELEASED AT
TAGS: ENRG, US
To: ALL POSTS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005